WEST BATON ROUGE CLERK OF COURT Port Allen, Louisiana

Annual Financial Report

As of and for the Year Ended June 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/2/11

DONALD C. De VILLE

Certified Public Accountant 7829 Bluebonnet Boulevard Baton Rouge, Louisiana 70810

WEST BATON ROUGE CLERK OF COURT Port Allen, Louisiana

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7829 BLUEBONNET BLVD. BATON ROUGE, LA 70810 (225) 767-7829 INDEPENDENT AUDITOR'S REPORT

October 27, 2010

Honorable Mark Graffeo West Baton Rouge Parish Clerk of Court Port Allen Louisiana

I have audited the accompanying basic financial statements of West Baton Rouge Parish Clerk of Court, as of and for the year ended June 30, 2010, as listed in the Table of Contents. The basic financial statements are the responsibility of West Baton Rouge Parish Clerk of Court's management. My responsibility is to express an opinion of these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in <u>Governmental Auditing Standards</u>, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provided a reasonable basis for my opinion.

In my opinion, the basic financial statement referred to above present fairly, in all material respects, the financial position of West Baton Rouge Parish Clerk of Court as of June 30, 2010, and the results of operations for the year the ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with <u>Government Auditing Standards</u>, I have also issued my report dated October 27, 2010, on my consideration of West Baton Rouge Parish Clerk of Court's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with <u>Government Auditing Standards</u> and should be considered in assessing the results of my audit.

The budgetary comparison information on page 27, is not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express on opinion on it.

The West Baton Rouge Parish Clerk of Court has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Basic Financial Statements

GOVERNMENT WIDE STATEMENT OF NET ASSETS

WEST BATON ROUGE PARISH CLERK OF COURT PORT ALLEN, LOUISIANA JUNE 30, 2010

	TOTAL
ASSETS:	
Cash	\$486,276
Cash-Certificates of Deposit	550,142
Investments-LAMP	9,386
Accounts Receivable	8,012
Intergovernmental Receivables	4,114
Fixed Assets, Net of Depreciation	79,568
Total Assets	1,137,498
LIABILITIES AND FUND BALANCES:	
LIABILITIES:	
Accounts Payable	15,448
Employee Withholdings Payable	12,977
Due To Other Funds	60,677
OPEB Payable	64,863
Total Liabilities	153,965
NET ASSETS	
Investment in Net Assets	79,568
Unassigned Fund Balance	903,965
Total Net Assets	983,533

GOVERNMENT WIDE STATEMENT OF ACTIVITIES

WEST BATON ROUGE CLERK OF COURT PORT ALLEN, LOUISIANA For the Year Ended June 30, 2010

					Net (Expenses)
					Revenues and
					Increases
		F	Program Reve	nues	(Decreases) in
			Operating		Net Assets
		Charges for		Capital Grants	
	Emanaga	_		-	
Once an extent Anticities	Expenses	Services	Contributions	& Contributions	<u>Activities</u>
Governmental Activities					
PUBLIC SAFETY					
SUPPORT SERVICES					
Judicial Expense	\$901,606		\$0	\$0	(132,332)
Total Governmental Activites	901,606	769,274	0	0	(132,332)
	General Re	venues:			
	Investmen	t earnings			26,500
	Other gene	eral revenue	s		11,771
	Special-Sale	e of Fixed As	ssets		0
	*		and transfers	•	38,271
	rotal gone			·	00,27
•	Change	in Net Asset	S		(94,061)
•					
	Net assets-	beginning			1,077,594
	Net assets-	endina			983,533
	1401 000010-1	circilità		:	903,333

BALANCE SHEET GOVERNMENTAL FUNDS

WEST BATON ROUGE PARISH CLERK OF COURT PORT ALLEN, LOUISIANA JUNE 30, 2010

	TOTAL_
ASSETS:	
Cash	\$625,367
Cash-Certificates of Deposit	411,051
Investments-LAMP	9,386
Accounts Receivable	8,012
Intergovernmental Receivables	4,114
Total Assets	1,057,930
LIABILITIES AND FUND BALANCES: LIABILITIES:	
Accounts Payable	15,448
Employee Withholdings Payable	12,977
Due To Other Funds	60,677
Total Liabilities	89,102
FUND BALANCES:	
Reserved For:	
Unassigned Fund Balance	968,828
Total Fund Balance	968,828
Total Liabilities and	
Total Liabilities and Fund Balances	1.057.000
I ully palatices	<u>1,057,930</u>

WEST BATON ROUGE PARISH CLERK OF COURT PORT ALLEN, LOUISIANA

Reconcilation of Fund Balances on the Balance Sheet For Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Asses June 30, 2010

Fund Balances - Total Governmental Funds	\$968,828
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds Add: Capital Assets Deduct - Accumulated depreciation Net adjustments	381,212 (301,644) 79,568
Long-term liabilites applicable to governmental activites are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Assets Net Other Post-employment Benefit Obligation Payable	(64,863)
Net Assets of Governmental Activities	983,533

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

WEST BATON ROUGE PARISH CLERK OF COURT PORT ALLEN, LOUISIANA YEAR ENDED JUNE 30, 2010

	TOTAL
REVENUE	
INTERGOVERMENTAL	
Election Refunds	\$880
Clerks of Supplemental Pay	19,800
West Baton Rouge Parish Council Charges for Services	6,734
Licenses and Permits	745,877 2,717
Investment Income	26,500
Miscellaneous Income	11,771
	814,279
EXPENDITURES	
Judicial:	
Current	
Salaries	477,937
Fringe	225,013
Travel	3,149
Operating Services	93,733
Operating Supplies	27,987
Capital Outlay	58,310
	886,129
Excess of Revenue over (under) Expenditures	(71,850)
FUND BALANCE, BEGINNING	1,040,678
FUND BALANCE, END	968,828

WEST BATON ROUGE PARISH CLERK OF COURT PORT ALLN, LOUISIANA

Reconcilation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds To the Statement of Activities For the Year Ended June 30, 2010

Net Change in Fund Balances - Total Governmental Funds	(\$71,850)
Amounts reported for governmental activities in the statements of activiteis are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlys exceeded depreciation expense in the current period.	
Add: Capital outlays	54,146
Deduct - depreciation expense	(11,494)
Net Adjustment	42,652
Some expenses (i.e. compensated absences) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expendiutures	
in governmental funds. Compensated absences	(64,863)

(94,061)

Change in Net Assets of Governmental Activities

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS

WEST BATON ROUGE PARISH CLERK OF COURT PORT ALLEN, LOUISIANA June 30, 2010

	ADVANCE DEPOSIT FUND	REGISTRY OF THE COURT FUND	TOTAL
ASSETS:			
Cash	\$474,944	\$876	\$475,820
Investments-LAMP	10,001	471,578	481,579
Interfund Receivable	60,677	0	60,677
Total Assets	545,622	472,454	1,018,076
LIABILITIES:			
Held For Others:			
Pending Court Action	<u>\$545,622</u>	<u>\$472,454</u>	\$1,018,076
Total Liabilities	545,622	472,454	1,018,076

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUNDS

WEST BATON ROUGE PARISH CLERK OF COURT PORT ALLEN, LOUISIANA YEAR ENDED JUNE 30, 2010

	ADVANCE DEPOSIT FUND	REGISTRY OF THE COURT FUND	TOTAL
Additions		!	-
Contributions			
Suits and Successions	\$717,004	\$11,924	
Other	1,291	0	1,291
Investment Income	7,545	1,179	8,724
Total Additions	725,840	13,103	738,943
Deductions			
Clerk's Cost	438,624	0	438,624
Settlement to Litigants	0	Ō	0
Attorny, Curator & Notary	95,046	155,765	250,811
Witness Fees	1,072	0	1,072
Sheriff's Fees	63,319	0	63,319
Secretary of State	4,500	0	4,500
Judicial Court Fund	39,179	0	39,179
West Baton Rouge Parish Council	10,508	0	10,508
Other	1,860	0	1,860_
Total Deductions	654,108	155,765	809,873
Change in Net Assets	71,732	(142,662)	(70,930)
Net Assets, July 1	473,890	615,116	1,089,006
Net Assets, June 30	545,622	472,454	1,018,076

Notes to the Financial Statements

WEST BATON ROUGE PARISH CLERK OF COURT PORT ALLEN, LOUISIANA NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED JUNE 30, 2010

INTRODUCTION

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the clerk of court serves as the ex-officio notary public; the recorder of conveyances, mortgages, and other acts, and has other duties and powers provided by law. The Clerk is elected for a four year term.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the West Baton Rouge Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, <u>Basic Financials and Management Discussion and Analysis for State and Local Governments</u>, issued in June 1999.

B. REPORTING ENTITY

The clerk of court is an independently elected official; however, the clerk of court is fiscally dependent on the West Baton Rouge Parish Council. The Parish Council maintains and operates the parish courthouse in which the clerk of court's office is located and provides funds for equipment and furniture of the clerk of court's office. Because the clerk of court is fiscally dependent on the parish council, the clerk was determined to be a component unit of the West Baton Rouge Parish Council, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the parish council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The clerk uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain clerk functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Governmental funds account for all or most of the clerk's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Clerk of Court. The following is the clerk's governmental funds:

General Fund

General Fund is the entity's primary operating fund of the clerk and it accounts for all financial resources of the entity, except those required to be accounted for in another funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according with state and federal laws and accounting to clerk policy.

Fiduciary Funds

Fiduciary funds reporting focus on net assets and changes in net assets. The only funds accounted for in this category by the clerk are agency funds. The agency funds account for assets held by the clerk as an agent for litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the source (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of clerk operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The clerk considers all revenue available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Court attendance, criminal cost, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Assets and the column labeled Statement of Activities display information about the clerk as a whole. These statements include all the financial activities of the clerk. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Non-exchange Transactions.

Program Revenue – Program revenue include in the column labeled Statement of Net Assets are derived directly from clerk users as a fee for service; program revenue reduces the cost of the function to be financed from the clerk's general revenues.

E. BUDGETS

The clerk uses the following budget practices:

- 1. The budgetary calendar The public hearing on the budget announcement is published in the official journal in early June. Later in June, a public hearing on the budget is held and after any discussion the budget is adopted.
- 2. Appropriations (unexpended budget balances) lapse at year-end.
- 3. There are no outstanding encumbrances.
- 4. The GAAP basis is use in preparing and reporting the budgets and those funds not budgeted.
- 5. The Clerk will time to time make changes or amendments within the various budget classifications.

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Clerk's investment policy allow the entity to invest in collateralized certificates of deposits, government back securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

G. INVESTMENTS

Investments for the Clerk are reported at fair value. Investments are limited by Louisiana Revised Statute (R.S) 33:2955 and the Clerk's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however if the original maturities are 90 days or less, they are classified as cash equivalents.

H. Receivables and Payables

Receivables consist of all revenues earned at year end and not yet received.

Payables consist of all expenses/expenditures incurred at year end and not yet paid.

I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other fund on the balance sheet. Short-term inter-fund loans are classified as inter-fund receivables/payables.

J. INVENTORIES AND PREPAID ITEMS

All immaterial inventories of the governmental funds are recorded as expenses/expenditures when purchased rather than when consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

K. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available capital assets are capitalized at fair market value. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Description	Estimated Lives
Equipment, Furniture and Fixtures	5-7 years

L. COMPENSATED ABSENCES

The Clerk's recognition and measurement criteria for compensated absences follows:

Employees of the Clerk of Court's office earn from two to five weeks of vacation leave each year. Vacation leave cannot be accumulated nor carried forward to succeeding years. The Clerk has not adopted a formal policy regarding sick leave. At year-end the employees of the Clerk have no accumulated or vested benefits required to be reported in accordance with GASB Statement No. 16.

M. FUND EQUITY

In the fund financial statements, governmental funds may report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

N. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

At June 30, 2010, the Clerk has cash and cash equivalents (book balances) totaling \$1,101,187 as follows:

	General Fund	Advance Deposit	Registry
Demand deposits	\$138,891	(\$51,482)	\$876
Interest-bearing demand deposits	486,276	526,426	0
Certificates of Deposits	0	0	0
Money market accounts	0	0	0
Petty Cash	200	0	0
Total	625,367	474,944	876

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2010, the Clerk had \$1,282,552 in deposits (collected bank balances). These deposits are secured from risk by \$1,282,552 of federal deposit insurance and \$375,227 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

3. INVESTMENTS

Investments are categorized into these three categories of credit risk:

- 1. Insured or registered, or securities held by the Clerk or its agent in the Clerk's name
- Uninsured and unregistered, with securities held by the counter party's trust department or agent in the Clerk's name
- Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the Clerk's name

At fiscal year-end, the Clerk's investment balances were as follows:

				•	Carrying Amo	unt	Total
		Catego	ry	Fair	Amortized		Carrying
Type of Investment	11	2	3	Value	Cost	Cost	Amount
Certificate of Deposit	411,051	\$	\$	\$411,051	\$	<u>\$411,051</u>	411,051
Bonds	0			0		0	0
Total	411,051	\$	\$				
Investments not subject to categorization:							
Deferred compensation plan				0		0	0
External Investment Pool (LAMP)				490,965		490,965	490,965
Total investments				\$902,016	\$	\$902,016	902,016

LAMP is administered by LAMP, Inc. a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk interest risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risk: LAMP is rated AAAm by Standard & Poor's
- <u>Custodial credit risk</u>: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- <u>Interest rate risk</u>: 2a7- like investment pools are exclude from this disclosure requirement, per paragraph 15 of the GASB 40 statement.
- Foreign currency risk: Not applicable to 2a7-like pools.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and board of directors. LAMP is not registered with the SEC as an investment company.

4. RECEIVABLES

The receivables of \$38,348 at June 30, 30, 2010, are as follows:

Class of Receivable

Accounts	
Charges for Services	8,012
Intergovernmental	
Court Cost	2,700
Court Attendance	<u>1,414</u>
	4,114

Receivables are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge off method is not a material departure from GAAP as it approximates the valuation method.

5. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2010, for the primary government is as follows:

Governmental activities:	Beginning <u>Balance</u>	Increases	<u>Decreases</u>	Ending <u>Balance</u>
Capital assets being depreciated				
Furniture and equipment	327,066	54,146	-0-	381,212
Total capital assets being depreciated	327,066	54,146	-0-	381,212
Less accumulated depreciation for:				
Machinery and equipment	(290,150)	11,494	-0-	(301,644)
Total accumulated depreciation	(290,150)	11,494	-0-	(301,644)
Total capital assets being depreciated, net	36,916	42,652	-0-	79,568

6. ACCOUNTS AND OTHER PAYABLES

The payables of \$28,425 at June 30, 2010, are as follows

	Accounts Payable	Employee Withholdings	Compensated Absences	Total
General Fund:				_
Accounts Payable	15,448	0	0	15,448
Employee Withholdings	0	12,977	0	12,977
Compensated Absences	0	0	0	0
Long-term obligations at End of Year	15,448	12,977	0	28,425

7. INTERFUND RECEIVABLES AND PAYABLES - Fund Financial Statement

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Those receivables and payables are classified as due from other funds and due to other funds on the balance sheet. Such advances create short-term inter-fund loans. A summary of these inter-fund loans, at year-end, is as follows:

Receivable Fund	Payable Fund A	
Advance Deposit	General Fund	\$60,677

8. DEFERRED COMPENSATION PLAN

Certain employees of the West Baton Rouge Clerk of Court participate in the Louisiana Public Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosure relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397; Baton Rouge, LA 70804-9397.

9. RETIREMENT SYSTEMS

<u>Plan Description</u>. Substantially all employees of the West Baton Rouge Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of credited service, not to exceed 100% of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (504) 293-1162.

<u>Funding Policy.</u> Plan members are required by state statute to contribute 8.25% of their annual covered salary and the West Baton Rouge Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 14.75% of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the West Baton Rouge Parish Clerk of Court are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The West Baton Rouge Parish Clerk of Court's contributions to the System for the years ending June 30,2010, 2009, and 2008, were \$99,045, \$84,285, and \$85,659, respectively, equal to the required contributions for each year.

10. OTHER POSTEMPLOYMENT BENEFITS

<u>Plan Description</u>. The Clerk's defined benefit postemployment health care plan ("the Retiree Health Plan") provides medical, dental and life insurance benefits to eligible retired employees and their beneficiaries. The Retiree Health Plan is affiliated with the Louisiana Clerks of Court Insurance Trust ("LCCIT"), an agent multiple-employer postretirement healthcare plan administered by the Louisiana Clerks of Court Association.

<u>Funding Policy</u>. The contribution requirements of plan members and the Clerk are established and my be amended by the LCCIT board of trustees. The Clerk contributes 100% of the cost of the current-year premiums for eligible retired plan members and 0% of the cost for retired plan members' spouses and dependent children. For fiscal year 2010, the Clerk contributed \$17,347 to the plan and the retires contributed \$3,917.

Annual OPEB Cost and Net OPEB Obligation. For 2010, the Clerk's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC") an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Clerk's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Clerk's net OPEB obligation to the Retiree Health Plan:

Annual Required Contribution Interest on Net OPEB Obligation Adjustment to Annual Required Contribution	\$82,210 -0- -0-
Annual OPEB Cost (Expense) Contribution Made Increase in Net OPEB Obligation Net OPEB Obligation – beginning of year	82,210 (<u>17,347</u>) 64,863 0
Net OPEB Obligation – end of year	64,863

The Clerk's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2010 is as follows:

Fiscal Year End - 6-30-2010

Annual OPEB Cost - \$82,210

Percentage of Annual OPEB Cost Contributed - 21.1%

Net OPEB Obligation - \$64,863

Funded Status and Funding Progress. As of June 30, 2009, the actuarial accrued liability for benefits as \$1,164,797, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$437,605, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 266.2%.

The projection of future benefit payment for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funding status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In June 30, 2009, actuarial valuation, the entry age actuarial cost method was used. Based on the Clerk's short-term investment portfolio, a discount rate of 4.0% was used. In addition, the actuarial assumptions included an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5.5% after 10 years. The Clerk's unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis over 30 years.

REQUIRED SUPPLEMENTARY INFORMATION Schedule of Funding Progress

Actuarial Valuation Date - 6/30/2009

Actuarial Value of Assets (a) - \$-0-

Actuarial Accrued Liability (AAL) – Entry Age (b) - \$1,164,797

Unfunded AAL (UAAL) (b-a) - \$1,164,797

Funded Ratio (a/b) - 0.0%

Covered Payroll (c) - \$437,605

UAAL as a Percentage of Covered Payroll (b-a)/c) - 266.2%

11. LEASES

The Clerk has an immaterial copier lease and does not record items under capital leases as assets and obligations in the accompanying financial statements.

12. COMPENSATION PAID TO THE CLERK OF COURT

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to the Clerk of Court was \$\$127,456.

13. LITIGATION AND CLAIMS

During the year, a prisoner of the Parish filed suit against the Sheriff and Clerk of Court alleging that they conspired to remove a document he allegedly filed with the Clerk of Court.

The Clerk's management believes the suit is without merit and any that any potential litigation would be covered by insurance or resolved without any material impact upon the Clerk's financial statements.

No claims were paid out or litigation costs incurred during the year ended June 30, 2010.

14. RISK MANAGEMENT

The Clerk is exposed to various risk of loss related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk has purchase commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage for the prior year. No settlements were made during the year that exceeded the Clerk's coverage.

15. ON-BEHALF PAYMENTS FOR EXPENSE/EXPENDITURES

Certain operating expenses/expenditures of the clerk's office are paid by the West Baton Rouge Parish Council which is included in the accompanying financial statements, such as \$6,734 for binding of Original Acts and preservation of these Original Acts.

16. SUBSEQUENT EVENTS

The Organization did not have any subsequent events through October 27, 2010, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended June 30, 2010.

REQUIRED SUPPLEMENTAL INFORMATION

WEST BATON ROUGE PARISH CLERK OF COURT PORT ALLEN, LOUISIANA BUDGETARY COMPARISON SCHEDULE - GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2010

			ACTUAL AMOUNTS	VARIANCE FINAL BUDGET
	BUDGET AMOUNTS		GAAP	FAVORABLE
	ORIGINAL	FINAL	BASIS	(UNFAVORABLE)
REVENUES:				
Intergovernmental				
Election Refunds	\$1,500	\$860	\$880	\$20
Clerks Supplemental Pay	19,800	19,800	19,800	0
West Baton Rouge Parish Council	0	0	6,734	6,734
Charges for Service	764,512	727,020	745,877	18,857
Licenses and Permits	5,004	4,800	2,717	(2,083)
Investment Income	30,000	25,850	26,500	650
Miscellaneous Income	10,392	<u>11</u> ,450	11,771	321
Total Revenues	831,208	789,780	814,279	24,499
EXPENDITURES: Judicial: Current				
Personnel	469,156	462,455	477,937	(15,482)
Fringe	226,440	224,956	225,013	(57)
Travel	3,300	2,975	3,149	(174)
Operating Services	94,014	92,051	93,733	(1,682)
Operating Supplies	30,600	31,500	27,987	3,513
Capital Outlay	7,500	56,000	58,310	(2,310)
Total Expenditures	831,010	869,937	886,129	(16,192)
Excess of Revenue Over (Under) Expenditures	198	(80,157)	(71,850)	8,307
FUND BALANCE, Beginning	1,040,678	1,040,678	1,040,678	0
FUND BALANCE, Ending	1,040,876	960,521	968,828	8,307

OTHER SUPPLEMENTAL INFORMATION



Member American Institute CPAs Member Louisiana Society CPAs

7829 BLUEBONNET BLVD. BATON ROUGE, LA 70810 (225) 767-7829

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS ÆRFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

October 27, 2010

Mark Graffeo West Baton Rouge Clerk of Court Port Allen, Louisiana

I have audited the financial statements of the West Baton Rouge Parish Clerk of Court as of and for the year ended June 30, 2010, and have issued my report thereon dated October 27, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered West Baton Rouge Parish Clerk of Court's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatement on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiency in internal control over financial reporting that I consider to be material weaknesses, as defined above. However, I identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. (Finding 2010-1) A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Baton Rouge Clerk of Court financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my test disclosed instances of noncompliance or other matters that are required to be reported under <u>Government Auditing Standards</u> and which are described in the accompanying schedule of findings and questioned costs as item 2010-1.

West Baton Rouge Parish Clerk of Court's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit West Baton Rouge Parish Clerk of Court's response and, accordingly, I express no opinion on it.

This report is intended for the information of the management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statutes 24:513, this report is distributed by the Legislative Auditor as a public document and distribution is not limited.

WEST BATON ROUGE CLERK OF COURT PORT ALLEN, LOUISIANA SCHEDULE OF PRIOR YEAR'S FINDINGS FOR THE YEAR ENDED JUNE 30, 2010

Fiscal Year Finding Re Initially No. Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Corrective Action <u>Taken</u>
1. 6-30-08	Clerk Lacks the Qualifications and Skills To Prepare Their Financial Statements	No	N/A-Cost to Benefit Too Great for the Small Entity

WEST BATON ROUGE CLERK OF COURT PORT ALLEN, LOUISIANA SCHEDULE OF FINDINGS AND QUESTIONED COST FOR THE YEAR ENDED JUNE 30, 2010

A. Summary of Auditor's Result

Financial Statements

Type of auditor's report issued: Unqualified

- No material weaknesses identified.
- No significant deficiencies identified that are considered to a material weakness.

No noncompliance material to financial statements noted.

Federal Awards: Not Applicable

B. Findings - Financial Statement Audit

2010-1

Condition: The Clerk's management lack the qualifications and skills to prepare its Financial Statements.

Criteria: Statement on Auditing Standards No. 115 defines this deficiency in the design of Controls.

Effect: There is no material effect to the financial statements since the auditor prepared their statements

Recommendation: No recommendation because the Clerk is so small and the cost-to-benefit Ratio is too great.

Management Response: The cost to hire another CPA is too great for this small Clerk.

C. Management Letter

The auditor did not issue a management letter this year.

WEST BATON ROUGE CLERK OF COURT PORT ALLEN, LOUISIANA CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2010

Re: No - 2010-1

Description of Findings – Management lacks the qualifications and training to prepare their financial statements.

Corrective Action Plan -The cost-to-benefit does not justify the hiring of another CPA to prepare their financial statements.

Name of Contact - Mark Graffeo, Clerk of Court

Anticipated Completion Date - N/A